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84 - 2855

REMARKS OF WILLIAM J. CASEY

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AT

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
GOLDEN ANNIVERSARY

29 JUNE 1984

THE WASHINGTON HILTON
WASHINGTON, D. C.



B-301

THIS 50TH ANNIVERSARY IS A SPLENDID OCCASION TO REMINISCE ABOUT A GREAT INSTITUTION THAT HAS LEFT ITS MARK ON EACH OF US. BUT AS I SEE SO MANY OLD FRIENDS I JUST CAN'T RESIST THE OPPORTUNITY TO DISPEL THE VICIOUS RUMOR THAT I MUMBLE. YOU KNOW IT WAS THE WASHINGTON POST WHICH LAUNCHED THE CANARD THAT RONALD REAGAN APPOINTED ME TO THE CIA AS AN ECONOMY MEASURE. HE FIGURED I WOULD BE THE FIRST DIRECTOR OF CENTRAL INTELLIGENCE FOR WHOM IT WOULD NOT BE NECESSARY TO BUY A SCRAMBLER. FROM PERSONAL EXPERIENCE I CAN TELL YOU THAT MUMBLING IS MORE IN THE MIND OF THE LISTENER THAN IN THE MOUTH OF THE SPEAKER. THERE ARE PEOPLE WHO JUST DON'T WANT TO HEAR WHAT THE DIRECTOR OF CENTRAL INTELLIGENCE SEES IN A COMPLEX AND DANGEROUS WORLD.

IN CONTRAST, WALL STREET KNEW THAT I, AS CHAIRMAN OF THE SEC, HAD TWO NOT SO SECRET WEAPONS AT THE SEC. THEIR CODE NAMES WERE IRVING POLLACK AND STANLEY SPORKIN. AS A RESULT, WHEN I SPOKE THEN, WALL STREET LISTENED AND THEY DAMN WELL UNDERSTOOD.

IT WAS AT THE SEC THAT I MADE MY FIRST POLITICAL MASTER STROKE. I INHERITED FROM MY PREDECESSOR, JUDGE BUDGE, A VERY BRIGHT AND ABLE YOUNG LEGAL ASSISTANT NAMED MAX BAUCUS. IT WASN'T LONG BEFORE HE CAME IN TO TELL ME THAT HE WAS LEAVING THE COMMISSION TO RETURN TO HIS HOME STATE OF MONTANA WHERE HE

INTENDED TO RUN FOR THE STATE LEGISLATURE. WHEN HE GOT BACK HOME AND ANNOUNCED HIS CANDIDACY I SENT HIM A CAMPAIGN CONTRIBUTION OF \$100 WITH A NOTE WHICH READ: "DEAR MAX, INVESTING \$100 IN A FUTURE UNITED STATES SENATOR IS LIKE BUYING XEROX AT 10." MAX TURNED OUT TO BE ONE OF THOSE SLOW GROWTH INVESTMENTS. IT TOOK MAX HIM SEVEN LONG YEARS TO GET ELECTED TO THE UNITED STATES SENATE.

AS I LOOK AROUND THE ROOM I GET THE FEELING OF A CLASS REUNION OR ALUMNI HOMECOMING.

THAT IS QUITE NATURAL BECAUSE THE SEC IS, AMONG OTHER THINGS, A GREAT EDUCATIONAL INSTITUTION. THE AGENCY HAS FOR DECADES CONFERRED HONORARY DOCTORATES IN HIGH AND LOW FINANCE ON DEPARTING COMMISSIONERS.

SOME LAUGH AT THOSE DOCTORATES. BUT I SUBMIT THAT AN SEC DEGREE GETS AT LEAST A SLIGHT SEMBLANCE OF "DE FACTO LEGITIMACY" FROM THE MANY DISTINGUISHED ACADEMICS AND EX-ACADEMICS WHO FIGURE SO PROMINENTLY IN THE COMMISSION'S HISTORY. JIM LANDIS, BILL DOUGLAS, ABE FORTAS, BILL CARY, LOUIS LOSS, HOMER KRIPKE, ANDY BARR, SANDY BURTON ARE AMONG THE NAMES THAT COME TO MIND.

ON A MORE PERSONAL NOTE, THE SEC CERTAINLY TAUGHT ME SOME LAW. I REMEMBER QUITE A BIT OF WHAT I LEARNED FROM THE ELABORATE STAFF MEMORANDA, FROM THE INTERMINABLE DISCUSSIONS

AT THE COMMISSION TABLE, AND FROM STUDYING THE SCHOLARLY BRIEFS SUBMITTED IN THE COMMISSION'S NAME. MY ROUGH, UNAUDITED ESTIMATE IS THAT I REMEMBER ABOUT HALF OF IT. UNFORTUNATELY, THE HALF I RETAIN IS THE HALF THAT THE SUPREME COURT HAS SINCE THROWN OUT OF THE WINDOW.

STILL, MY YEARS AT THE CORNER OF NORTH CAPITOL AND E GAVE ME A RICH, INFORMAL EDUCATION THAT HAS SINCE STOOD ME IN GOOD STEAD. I GIVE MY ON-THE-JOB, CLINICAL TRAINING AT THE SEC FULL CREDIT FOR MY SUCCESS IN DEALING WITH CONGRESSIONAL COMMITTEES AND WITH THE PRESS. ALSO VALUABLE TO ME WAS THE EXCELLENT COURSE IN STATE SECRETS AND HOW TO KEEP THEM. IN ADDITION, I LEARNED SOMETHING ABOUT JUDGE-DESIGNATE SPORKIN AND HOW TO GET ALONG WITH HIM. IF I APPEAR NERVOUS THIS EVENING IT'S BECAUSE I'M WONDERING WHO'S GOING TO KEEP ME OUT OF TROUBLE WHEN STANLEY PUTS ON THOSE JUDICIAL ROBES.

STANLEY TAUGHT ME TWO BASIC PRINCIPLES OF SEC ADMINISTRATION AND LAW. THE FIRST ONE WAS: "YES, YOU DO HAVE TO REGISTER," AND THE SECOND WAS "IT SOUNDS LIKE 10(B)5 TO ME." THAT'S ALL YOU HAVE TO KNOW. IF ONE OF THESE PRINCIPLES DOESN'T WORK, YOU JUST USE THE OTHER AND YOU'VE GOT THEM.

THE MOST UNIQUE AND INDISPENSABLE ELEMENT IN THE SEC'S HALF CENTURY IS THE SPIRIT, THE DRIVE AND THE COMMITMENT OF ITS STAFF, WHICH IS SO MARVELOUSLY AND SO REGULARLY RENEWED

AND REINVIGORATED YEAR AFTER YEAR AND DECADE AFTER DECADE. I'VE ALWAYS THOUGHT THAT THE CREATIVITY AND RESOURCEFULNESS OF THE STAFF HAD ITS GENESIS IN A STORY THAT MAY BE APOCRYPHAL BUT I PREFER TO BELIEVE IT HAPPENED. JOE KENNEDY, UPON BEING APPOINTED CHAIRMAN, ASKED A YOUNG PROFESSOR FROM YALE LAW SCHOOL TO COME DOWN TO HELP HIM. HIS NAME WAS BILL DOUGLAS. HE REPORTED TO KENNEDY MONDAY MORNING AND SAID, "SIR, WHAT ARE YOUR INSTRUCTIONS?" KENNEDY LOOKED AT DOUGLAS AND SNORTED, "IF I KNEW WHAT TO DO WHY THE HELL WOULD I ASK YOU TO COME DOWN HERE. NOW GET GOING." AND THE STAFF HAS BEEN GOING EVER SINCE.

WITH LESS WARMTH I RECALL THOSE SEC WATCHERS IN THE LAW REVIEWS AND ELSEWHERE. THEY WOULD SPRAY YOU WITH COLD SHOWERS OF KNOWLEDGEABLE, UNINHIBITED CRITICAL COMMENT. AND THEY DON'T STOP AFTER YOU ARE GONE.

I WAS REMINDED OF THAT JUST THE OTHER DAY WHEN I GLANCED AT THE CURRENT ISSUE OF THE NEW YORK UNIVERSITY LAW REVIEW.

IN THAT ISSUE PROFESSOR HOMER KRIPKE REVIEWS A HISTORY OF THE SEC. IT WAS WRITTEN BY PROFESSOR JOEL SELIGMAN AND IT'S CALLED THE TRANSFORMATION OF WALL STREET WITH A SUBTITLE, A HISTORY OF THE SECURITIES AND EXCHANGE COMMISSION AND MODERN CORPORATE FINANCE, AND IT IS 700 PAGES LONG. CAN YOU THINK OF

ANY OTHER SPECIALIZED GOVERNMENT AGENCY ABOUT WHICH ANYBODY (EVEN A LAW PROFESSOR) WOULD WANT TO WRITE A 700-PAGE HISTORY? AND ACTUALLY SELL THE BOOK. THAT SAYS A LOT ABOUT THE SIGNIFICANCE OF THE SEC.

IN HIS REVIEW, PROFESSOR KRIPKE SAYS THAT SELIGMAN'S BOOK FOCUSES ON SEC CHAIRMEN AND THAT THIS "INAPPROPRIATELY INFLATES THE IMPORTANCE OF A SINGLE OFFICIAL, IGNORING THE FACT THAT THE CHAIRMAN HAS ONLY ONE VOTE AND THAT THE SEC HAS ALWAYS BEEN A...BODY WHOSE PERMANENT STAFF MEMBERS RETAIN STRONG ABILITIES TO SURVIVE AND EFFECTUATE THEIR POLICIES, NOTWITHSTANDING REVOLVING-DOOR CHAIRMEN AND COMMISSIONERS. KRIPKE IS FOND OF THIS POINT. HE RETURNS TO IT AT THE END OF HIS REVIEW WHEN HE SAYS THAT THE BOOK GIVES UNWARRANTED ATTENTION TO "PERSONALITIES OF BYGONE WORTHIES" AND THAT "ITS EMPHASIS ON SEC CHAIRMEN, INCLUDING UNDISTINGUISHED ONES NOW FORGOTTEN, SLIGHTS THE IMPORTANCE OF MANY COMMISSIONERS AND LEADING STAFF MEMBERS."

AFTER I READ THAT, I SCRAPPED MY PREPARED LECTURE ABOUT MY MANY NOTEWORTHY ACCOMPLISHMENTS AT THE SEC. I DID THIS WITH REAL REGRET BECAUSE I HAD TAKEN GREAT PAINS WITH THAT SPEECH. AT THE LAST MOMENT, I DECIDED NOT TO INFLICT EVEN GREATER PAIN ON YOU BY DELIVERING IT.

BUT I DO WANT TO CELEBRATE WITH YOU THE ENORMOUS CONTRIBUTION THE FIFTY YEAR LEGACY OF THE SEC HAS MADE AND IS STILL MAKING TO THE BOUNCE WHICH THE AMERICAN ECONOMY IS DEMONSTRATING TODAY AND WHICH THE REST OF THE WORLD SO ENVIES. IT IS THE INTEGRITY OF OUR FINANCIAL SYSTEM AND THE DEPTH AND LIQUIDITY OF OUR CAPITAL MARKET WHICH HAS ATTRACTED FROM ALL OVER THE WORLD THE INVESTMENT FUNDS WHICH MAKE IT POSSIBLE TO FUEL ECONOMIC GROWTH WHILE CARRYING A LARGE DEFICIT. IT IS THE READY ACCESS TO THAT CAPITAL MARKET WHICH HAS BECOME AVAILABLE TO NEW VENTURES AND GROWING COMPANIES THAT HAS MADE POSSIBLE THE DEVELOPMENT AND APPLICATION OF SO MANY NEW TECHNOLOGIES AND THE CREATION OF 20 MILLION NEW JOBS IN THE UNITED STATES WHILE EUROPE HAS BEEN LOSING 2 MILLION JOBS. ALL OF THAT WOULD NOT HAVE BEEN POSSIBLE WITHOUT THE ASSURANCES OF INTEGRITY AND FAIRNESS, OF COMPETENCE AND EFFICIENCY PROVIDED BY THE COLLABORATION OF THE SEC AND THE SELF-REGULATORY BODIES.

TODAY, THE TRADITIONS AND STANDARDS DEVELOPED OVER THE PAST HALF CENTURY ARE CARRIED ON AND ADAPTED TO A RAPIDLY EVOLVING ECONOMIC AND FINANCIAL ENVIRONMENT UNDER THE FIRST CHAIRMAN SINCE JOE KENNEDY TO COME OUT OF THE FINANCIAL INDUSTRY. IT IS SOMETHING OF A COMMENTARY ON AMERICAN PUBLIC LIFE THAT IT TOOK ALMOST HALF A CENTURY AFTER JOE KENNEDY TO BRING TO THE SEC SOMEONE ELSE WITH ACTUAL KNOWLEDGE AND EXPERIENCE IN THE SECURITIES MARKET WHO ACTUALLY PROVED IT BY MAKING SOME REAL MONEY THERE.

I SALUTE YOU, JOHN SHAD, FOR THE WAY YOU'VE BROUGHT YOUR KNOWLEDGE AND EXPERIENCE IN WASHINGTON TO GIVE LEADERSHIP IN PRESERVING WHAT HAS BEEN ACCOMPLISHED IN THESE PAST FIFTY YEARS AND ADAPTING IT TO THIS ERA OF THE TAKEOVER AND THE LEVERAGED BUYOUT, OF MULTI-PURPOSE FINANCIAL INSTITUTIONS AND THE FINANCIAL DEPARTMENT STORE, OF INSTANT COMMUNICATIONS AND WORLDWIDE CAPITAL MARKETS.

IN CONCLUSION, I WOULD LIKE TO THANK ALL OF YOU FOR THIS WELCOME AND PLEASANT OPPORTUNITY TO EXPRESS THIS OLD ALUMNUS' AFFECTIONATE ESTEEM FOR THE SEC AND FOR THE MANY DEDICATED AND GIFTED PEOPLE WHO SERVED IT DURING HIS TENURE AND BEFORE AND SINCE.
